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**PSC APPROVES REDUCED REGULATION
FOR QWEST DIRECTORY ASSISTANCE SERVICE**

The Montana Public Service Commission this week approved Qwest's request to eliminate price regulation of the company's in-state directory assistance service. As a result of the PSC decision, Qwest will be able to increase or decrease its directory assistance rates after notifying customers and the PSC of the price change prior to the new rate taking effect. Qwest will still be required to provide residential customers with three free directory assistance calls per month, but the free-call allowance will no longer be available to business customers.

The existing rate for a Qwest in-state directory assistance call is 40 cents. Directory assistance is available at varying rates from several long-distance carriers.

"The commission recognizes that the directory assistance market in Qwest's service territory is becoming more competitive and that reduced regulation is the appropriate response," according to PSC Chairman Dave Fisher.

Because Qwest's cost for providing the free-call allowance for business customers is included in the company's revenue requirement on which the company's business rates are based, but that cost is now eliminated, the PSC directed Qwest to file an appropriate reduction in the local service rate for business customers.

Qwest asked the PSC last January to detariff its directory assistance service in accordance with provisions of state law that authorize the PSC to reduce regulation when there are sufficient competitive providers of the service. Qwest currently provides directory assistance pursuant to tariffed rates, terms and conditions that must be reviewed and approved by the PSC, usually in a rate case.

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